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FCL NEWSLETTER

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THE FEDERAL CROP INSURANCE CORPORATION
UNITED STATES DEPARTMENT OF AGRICULTURE
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Number 25



Annual Conference Will Set Pace For Coming Year

INDEMNITIES HAVE BEEN PAID TO 93 THOUSAND GROWERS

Over 4,200,000 Bushels Have Been Paid Out During the Past Month

Since the last issue of Newsletter approximately 25,000 more of the Nation's insured wheat growers have received indemnities totaling 4,200,645 bushels. The grand total for indemnities paid through October 21 was 93,463 representing 19,175,947 bushels of wheat, income from which these thousands of farmers and their communities would not have had but for the fact that they took advantage of the protection offered by the crop insurance program. More than 82 percent of all 1940 crop losses paid so far occurred in the States of Kansas, Nebraska, Oklahoma, Texas, Colorado, and New Mexico. The heavy abandonment that occurred in these six States is brought out more clearly in the map following page 6.

Although abandonment of the 1940 crop for the Nation as a whole has been estimated to be 18.2 percent, abandonment in the winter wheat area, where

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80 percent of the 1940 contracts were located, reached 24.3 percent as compared to 16.9 percent for the 1926-38 average. From the dot map preceding page 9 it can be seen that there was a heavy concentration of insured acreage in the above-mentioned States, especially Kansas, Nebraska, Texas, and Oklahoma. In these States, where normally 37 percent of all the Nation's wheat is grown, were 41 percent of all the 1940 contracts, 53 percent of all insured acreage, and 48 percent of all insured production.

The table on page 2 gives indemnity figures by States through October 21.

Program Improvements Based On Past Experience Will Be Considered

Suggested improvements in the 1942 crop insurance program will be discussed in Washington at the annual crop insurance conference the week of Nov. 25. One or two representatives from each State where insurance is available will attend the conference.

Responding to requests from Mr. Leroy K. Smith, manager of the Crop Insurance Corporation, virtually every important wheat producing State has submitted suggestions for modifications and improvements in the 1942 program.

These proposals, however, are merely suggestions, Mr. Smith pointed out, and will be presented at the conference for consideration. The fact that they have been prepared for submittal to the conference, he emphasized, is no assurance that all the changes will be incorporated in the program since adoption of all improvements hinges entirely upon action of the conferees--the farmers who administer the program.

Among major changes suggested (See CONFERENCE page 8)

Newsletter is designed to inform field workers of the A. A. A. and F. C. I. C. of developments in the crop insurance program and is not for general distribution.

INDEMNITY REPORT AS OF OCTOBER 21, 1940

1940 PROGRAM

States	Total indemnities paid (number)	Total contracts issued (number)	Total indemnities paid (bushels)	Estimated insured production (bushels)
WASHINGTON OFFICE:				
Delaware	80	455	6,020	103,025
Maryland	148	1,267	9,124	410,744
New Jersey	4	112	264	18,118
New York	22	896	1,522	132,713
North Carolina	23	202	362	19,463
Pennsylvania	562	5,811	26,159	979,073
Virginia	97	1,174	4,199	244,075
Total	936	9,917	47,050	1,907,211
CHICAGO OFFICE:				
Illinois	781	14,899	35,400	2,978,222
Indiana	2,971	28,373	117,156	3,937,593
Iowa	684	7,232	43,945	1,245,745
Kentucky	107	379	6,961	159,895
Michigan	1,345	15,945	51,062	1,881,248
Ohio	2,218	28,767	71,102	3,998,264
Tennessee	33	245	1,340	43,969
Total	8,139	96,440	327,029	14,244,936
KANSAS CITY OFFICE:				
Colorado	1,314	3,709	329,705	1,071,005
Kansas	23,700	60,506	7,950,421	23,796,620
Missouri	2,910	21,687	137,001	3,536,890
Nebraska	29,127	57,244	4,713,161	13,161,925
New Mexico	41	62	20,810	34,210
Oklahoma	7,435	23,387	1,235,052	8,394,760
Texas	5,222	11,030	1,597,018	4,935,355
Total	69,749	177,625	15,983,168	54,930,765
MINNEAPOLIS OFFICE:				
Minnesota	1,535	21,219	104,895	3,335,913
Montana	370	4,143	96,635	2,239,033
North Dakota	2,936	31,617	547,518	10,612,694
South Dakota	6,603	20,901	961,622	3,803,493
Wisconsin	49	555	1,516	37,999
Wyoming	556	1,270	162,145	543,254
Total	12,052	79,760	1,874,331	20,572,386
SPOKANE OFFICE:				
California	1,031	2,107	591,098	2,261,255
Idaho	462	6,873	55,750	2,911,461
Nevada	51	107	5,094	36,602
Oregon	409	2,012	133,252	3,653,148
Utah	58	682	8,129	423,395
Washington	576	3,540	150,446	5,392,101
Total	2,587	15,321	943,769	14,677,962
GRAND TOTAL1/...	93,463	379,063	19,175,947	106,333,260

1/ This total includes only indemnities actually paid. It does not include payments due under the deferred settlement plan.

373,000 GROWERS INSURED AGAINST ALL RISKS IN '41

Insured Production Nears the
100-Million-Bushel Mark
as of October 17

Late returns on the winter wheat sign-up have brought the total for all States up to 373,494. This figure is only about 5,000 smaller than the combined winter and spring wheat sign-up figure for 1940.

With every indication of a corresponding increase in the number of spring wheat contracts written by next February 28, the Corporation should be within buckshot distance of the half-million mark when the sign-up books are closed on the 1941 program.

The estimated insured acreage has gone up to 9½ million while the insured production figure is just a little short of 100 million bushels. Nearly 12,400,000 bushels have been placed in the Corporation's group reserve with which to pay indemnities in 1941.

The usual branch office progress report giving sign-up figures by States is on page 4. These data are considered quite complete for the winter wheat sign-up. Therefore, this tabulation will not appear in future issues of Newsletter until significant reports start coming in from the spring wheat area.

Introducing—



B. R. STAUBER

Don't tell anybody but B. R. Stauber (Ralph to his friends) is addicted to a form of doodling . . . He's always sharpening his pocket knife . . . Helps him think. And he does a lot of that as a member of the board of directors for the Federal Crop Insurance Corporation . . . Always has a oil can and whetstone in his desk . . . And whets . . . when heavily thinking or discussing matters . . . He went to school in Spokane, Washington. Graduated from Washington State College in 1926 . . . Got his BS in Agricultural Business . . . Last two years in college was on staff of division of farm management of experiment station there . . . He played baseball in college . . . And met Miss Leota Tucker between studies and baseball . . . They married soon after they were grad-

(See STAUBER page 6)

INSURED GROWERS IN OKLAHOMA GET POST-SIGN-UP DATA

Adjustment Procedure Explained
Briefly in Illustrated
Circular Letters

The Oklahoma State office is encouraging county committees to do post-sign-up educational work for the crop insurance program. Since signing an application and paying the necessary premium is only the first step toward consumption of the protection offered under a crop insurance contract, Oklahoma county committees are encouraged to send out illustrated circular letters to insured growers explaining briefly how crop damage should be reported and how inspections and adjustments will be made. Here are some excerpts from one of the letters suggested by the State office:

"You are one of the 25,000 Oklahoma wheat producers who has insured the 1941 wheat crop against loss due to unavoidable hazards. This should give you peace of mind as well as eliminate the chance that enters into the growing of wheat. We are happy to have this opportunity of serving you . . .

"If at any time during the growing season your crop is severely damaged, you should notify this office and your crop will be inspected to determine the

(See OKLAHOMA page 10)

1941 PROGRAM

	Premiums collected number	Premium payments bushels	Estimated insured Acres	Production bushels
<u>Spokane</u>				
Arizona	15	346	577	10,212
California	459	33,241	33,962	437,411
Idaho	5,230	182,978	226,475	3,689,260
Nevada	29	496	488	9,673
Oregon	4,940	225,207	234,208	3,706,826
Utah	3,304	66,695	65,795	903,418
Washington	3,797	231,190	325,611	5,234,146
Total	17,774	740,153	887,116	13,990,946
<u>Minneapolis</u>				
Minnesota	6,339	80,176	73,464	837,779
Montana	2,480	369,211	188,023	1,660,729
North Dakota	405	44,713	30,349	208,787
South Dakota	9,842	708,266	328,655	2,155,019
Wisconsin	692	4,612	4,182	49,238
Wyoming	1,222	133,106	80,566	496,991
Total	20,980	1,340,084	705,239	5,408,543
<u>Kansas City</u>				
Arkansas	38	415	755	5,031
Colorado	4,851	385,911	205,586	1,435,053
Kansas	60,870	3,509,123	2,495,126	21,791,655
Missouri	25,184	339,647	422,930	4,394,165
Nebraska	63,130	2,617,297	1,456,865	14,387,768
New Mexico	242	34,812	17,493	103,872
Oklahoma	24,964	812,330	887,936	7,788,557
Texas	10,187	1,030,769	600,638	4,090,660
Total	189,466	8,750,300	6,087,329	53,996,761
<u>*Chicago</u>				
Illinois	38,055	496,678	570,070	7,322,811
Indiana	35,570	312,218	395,938	5,190,028
Iowa	7,507	1,117,76	101,000	1,309,388
Kentucky	544	3,274	10,450	107,894
Michigan	15,330	112,649	144,819	2,170,563
Ohio	33,964	335,804	352,840	5,061,527
Tennessee	210	2,044	3,543	30,693
Total	131,180	1,440,443	1,578,660	21,192,904
<u>*Washington, D. C.</u>				
Delaware	631	6,032	10,967	140,107
Maryland	1,719	20,858	37,499	531,468
New Jersey	165	1,285	2,336	37,843
New York	1,040	8,680	12,680	204,181
North Carolina	458	3,005	5,465	60,967
Pennsylvania	7,492	53,135	88,845	1,393,781
West Virginia	91	1,118	2,033	24,389
Virginia	2,498	24,364	44,296	552,000
Total	14,094	118,477	204,121	2,944,736
GRAND TOTAL	373,494	12,399,457	9,462,465	97,533,890

*September 26, 1940, latest report available.

New Pictures Prepared For FCI Exhibit Panels

"All-Risk Crop Insurance at Work" is the title of a picture story recently prepared for use in the portable window exhibit panels which were sent in various quantities to State AAA committees several months ago. This particular story is designed to show how 1940 indemnities have brought new security and stability to farm homes, communities, and to the whole Nation.

The two illustrations and legends in the center panel show how many wheat growers insured their 1940 harvests and how many collected indemnities, respectively. The bottom center panel has been left blank so that the signature of the local or county AAA committee can be inserted by such committee.

Idaho Wildlife Has (Wheat) Field Days!

Rabbits and rust, deer and drought, smut and sparrows, blackbirds too, all helped to reduce the 1940 wheat yield in Idaho, says State Committeeman W. V. McCormick. Two farmers, among others, suffered heavy damage from ducks and a Lincoln County grower's crop was entirely devoured by them. Along with the usual run of drought and other weather-hazard losses, some fields were severely damaged by rabbits, sparrows, and blackbirds.

TIMELY TIPS

Portable window exhibits should not be overlooked as a means of emphasizing local and timely aspects of the crop insurance program. From five to ten portable window exhibit structures have been sent to every important wheat-producing State.

* * *

OKLAHOMA COUNTIES HAVE BEEN URGED BY THEIR STATE OFFICE TO SEND CIRCULAR LETTERS TO INSURED GROWERS GIVING SOME OF THE DETAILS ON REPORTING DAMAGE TO, OR DESTRUCTION OF THE INSURED CROP.

* * *

Sizable surpluses of printed crop insurance forms in winter wheat counties should be reported to their respective State offices in case there is a demand for such forms in the spring wheat area.

* * *

AN INTENSIVE CAMPAIGN BY FARMER COUNTY, TEXAS, RESULTED IN NEARLY FIVE TIMES AS MANY CONTRACTS IN 1941 AS IN 1940. (SEE STORY ON PAGE 10.)

* * *

Tips for "Timely Tips" are always timely.

DID YOU KNOW THAT the indicated production of wheat in 1940 is 783,560,000 bushels or about 14.9 bushels an acre.

Oregon Trebles 1940 Winter Wheat Sign-up

Wheat crop insurance is spreading out in Oregon.

The Webfoot State more than trebled its 1940 winter wheat sign-up, but more important than that is the fact that insurance was written on 1941 winter wheat in many counties where no contracts were issued at all in 1940.

Cited as examples of the increased participation is Lane County where 376 contracts were issued on the 1941 crop compared to only five for 1940, and the fact that out of 30 counties having wheat allotments insurance has been written in all but two of them.

One supervisor in Lane County had 65 allotments in his district and wrote contracts on 64 of the farms while another supervisor in the same county had 43 farms in his district and wrote insurance contracts for all of them.

Hope was expressed that by the spring wheat closing date the total contracts for both winter and spring will give Oregon three times as many as in 1940.

(Editor's Note: How did the Lane County supervisors accomplish their achievement? Other States would like to know what approach they used, how they presented crop insurance to the farmers, what arguments they received, and the answers they gave.)

Winter Wheat States Enjoy Helpful Rains

Crop prospects in the main winter wheat States are fair to excellent according to the Weather and Crop Bulletin for the week ending October 8. It is reported that much of the Winter Wheat Belt has had helpful rains which materially benefited growth of early seeded wheat and the establishment of a strong root system before cold weather.

In most parts of Nebraska showers have supplied ample moisture for present needs. In Kansas the growth of early wheat is excellent with advanced fields covering the ground as seen from the roadside. About 75 percent of the Oklahoma winter wheat crop has been seeded.

The October 8 Bulletin says that crop conditions are unusually favorable west of the Great Plains. In some sections of Washington, wheat is thick and rank, with germination the best in years, although more rain is needed locally in some normally drier sections.

CORRECTION

The August 29 issue of Newsletter contained a tabulation which showed that 1940 wheat-acreage abandonment in North Dakota was 3,356,000 acres representing a value of \$14,732,840. These figures should have read: 671,000 acres and \$2,954,690.

BIGGEST INDEMNITY

Up until about a month ago James H. McLeish of Lane County, Kansas had collected the largest indemnity in the State. The Corporation paid McLeish 11,750 bushels of wheat because of unavoidable crop failure on 1,562 acres.

STAUBER

uated . . . The University of Minnesota saw him next. It was 1928 and he got his MS . . . Economics and agricultural economics . . . Taught in University of Minnesota's school of business two and a half years . . . In the meantime he kept playing the piano (he's pretty good, too) . . . Mr. Stauber has been in Washington since 1930 when he entered the division of land economics under the Bureau of Agricultural Economics. From 1931 until 1937 he was in charge of research work in farm real estate values . . . Taught elementary statistics in USOA graduate school for three years . . . Since 1937 he's been on the staff of the Office of Land Use Coordination. He's now in charge of land policy--credit coordination . . . Has two children, Leland, 11; and Dorothy, 6 . . . His hobby is his son with whom he does everything from building radios and telephones to playing chess . . . He also is quite a mechanic . . . Likes to dabble in popular science.

N.D. Farmer Gives FCI Program a Boost

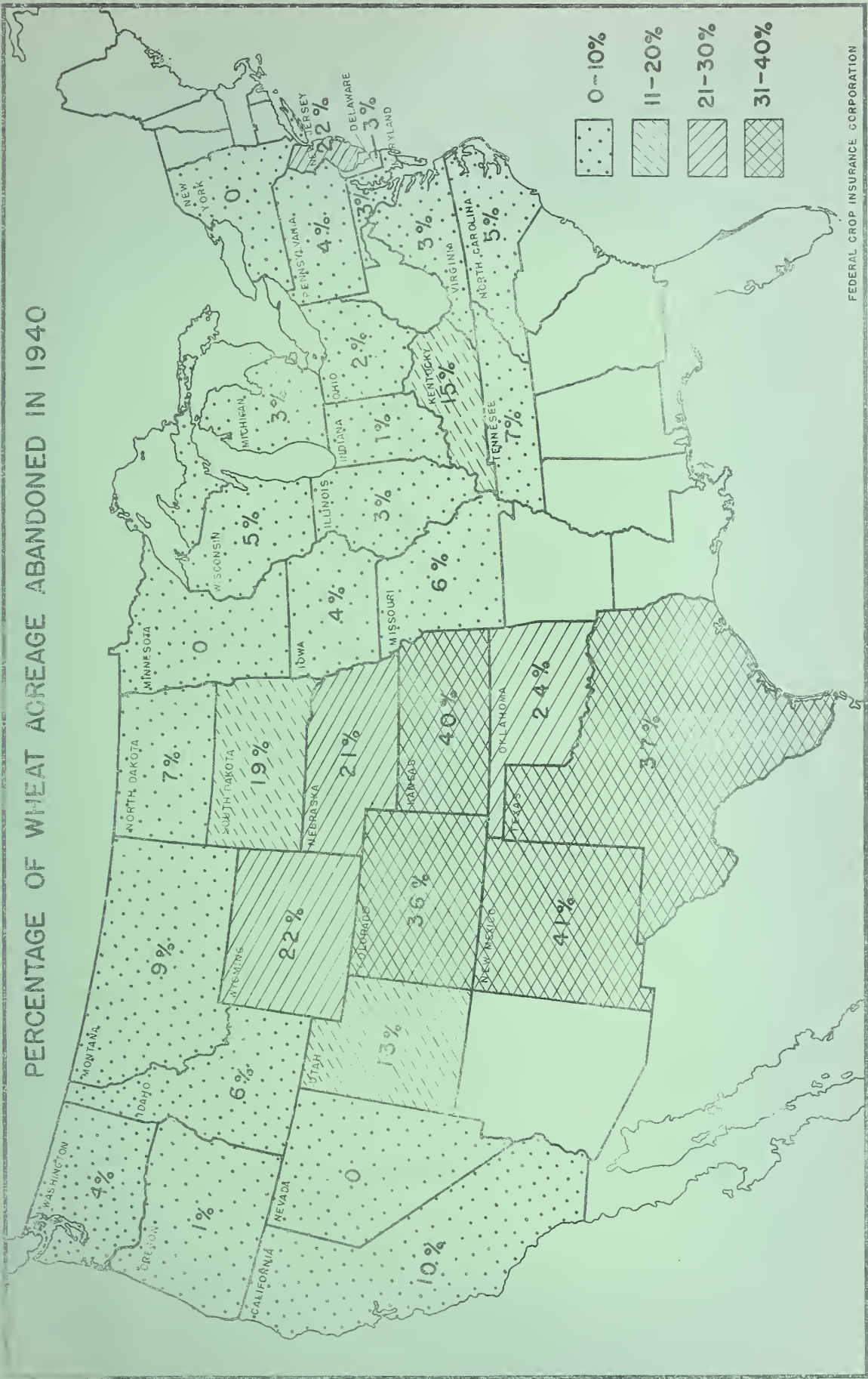
Peter Fog who operates a 640-acre farm 12 miles west of Lisbon in Ransom County, North Dakota, certainly is in no fog about the merits of the crop insurance program. He has this to say:

"I think this deferred settlement plan is a good addition to the crop insurance regulations. It places the entire responsibility of selling indemnity wheat on the farmers themselves. Being allowed to borrow on indemnity wheat is another great improvement in the insurance program this year. Besides being a yield insurance, crop insurance now gives price insurance to the farmer suffering a loss. It isn't the number of bushels collected in indemnities, but it's the philosophy of security in wheat production that makes crop insurance so valuable to the farmer."

Mr. Fog had 1940 contract Number 1 in Ransom County and collected the first indemnity to be paid in the State. He had 118 acres of wheat insured, 36 acres of which were destroyed by hail.

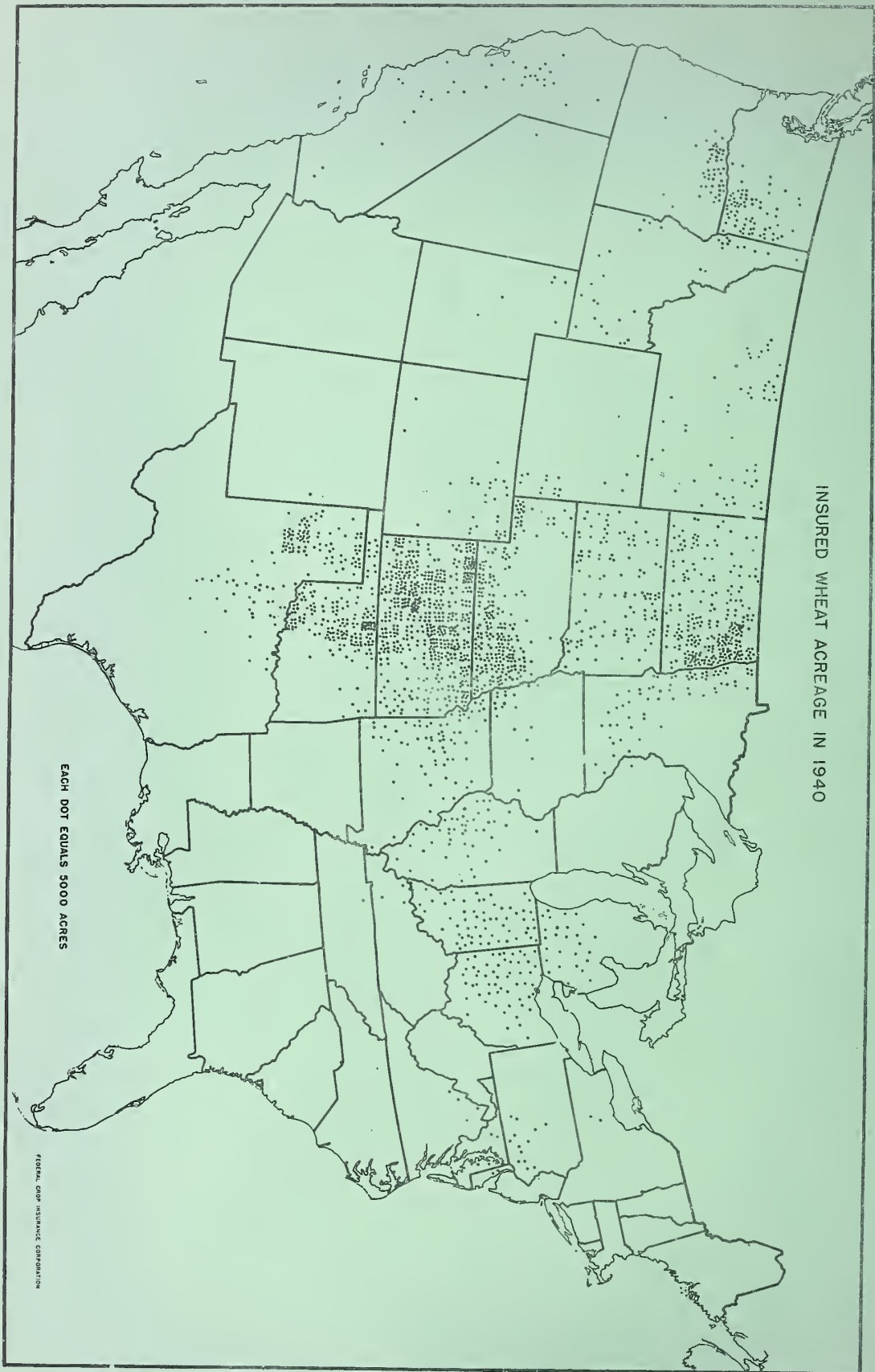
DID YOU KNOW THAT if only two-thirds of our present wheat supply were made into one-pound loaves of bread, there would be one loaf a day for every resident of the United States throughout the next year.

PERCENTAGE OF WHEAT ACREAGE ABANDONED IN 1940



INSURED WHEAT ACREAGE IN 1940

EACH DOT EQUALS 5000 ACRES



Annual Conference Will Set Pace For Next Year

(Cont'd. from page 1)

gested by the States for consideration in drafting the 1942 program are:

1. While there has been considerable demand for a long-term insurance contract, the Crop Insurance Act provides that for the first 3 years of operation application must be made on a yearly basis. Inasmuch as this conference will consider plans for the fourth year of the crop insurance program, a long-term contract for wheat producers will be discussed. An alternate plan to accomplish a result similar to that of a long-term contract will be discussed under which wheat growers who participate in the Triple A program will automatically request insurance coverage, the premium to be deducted from payments earned or to be earned under the Agricultural Conservation Program.

2. The establishment of a county check yield system so that the actual production of wheat in a county will be reflected in future years.

3. A plan whereby the premium rate structure would be influenced by the computed rate for the average-sized acreages in each county, say 160 acres, rather than establishing rates for each farm regardless of size or location of the crop land constituting the farm as is

now the case. Such a plan would fix a yield and rate applicable to each quarter section regardless of whether or not there was a larger area under a single ownership and operation.

4. Some plan will in all probability be considered whereby claimants can apply for a wheat loan for the full number of bushels of indemnity as soon as the statement in proof of loss has been approved by the county committee.

5. Several suggestions offered for consideration by the conferees are (1) a plan for insurance on quality as well as quantity of wheat; (2) insurance on the upper 75 percent of the wheat crop; and (3) the extension of the crop insurance program to crops other than wheat, particularly cotton and corn. Enabling legislation will be required, of course, before the program can be modified to include any of these three changes.

The conference program will also include a short talk by one of two top ranking officials of the Department of Agriculture, a showing of the crop insurance movie, and a banquet probably Tuesday night, Nov. 26. Program details are being worked out and arrangements will be completed well before the opening day's meeting, Smith said.

Last year many changes were suggested that were adopted for inclusion in the 1941 program as a result of the 1939 conference. Typical of these was the

FBI Broadcast Makes a Hit On the Desert

A New Jersey industrialist heard a radio program on crop insurance a short time ago while traveling through the desert out West and was so impressed by it that he was impelled to go to the source of the broadcast and effervesce a little. The source was the Imperial County Agricultural Conservation Association, Station KKO, El Centro, Calif., on one of this county's weekly broadcasts.

Says Imperial County Secretary Rudolph Miller concerning the New Jersey traveler's impression of the broadcast: "He told us he would never dream of running his business without full coverage for raw material as well as his manufactured goods. He could not understand why crop insurance was only available for wheat and not for any other crop. . . He was thoroughly convinced that crop insurance was very important to all phases of farming."

refined method of computing yields and premium rates; earlier closing dates for acceptance of applications; shifting of greater responsibility to State and county committees; the deferred settlement plan; and various other improvements which have permitted easier and more satisfactory operation of the crop insurance program without increasing the liability of the Corporation.

Parmer County Sign-up Goes Over With a Bang

Parmer County, Texas, had only 43 insured growers in 1940 but 195 of this county's growers have all-risk protection on their 1941 crops.

This remarkable increase is attributed largely to the efforts of Garlan A. Harper, Parmer County's enterprising ACA secretary. When there was still plenty of time to get under the August 31 deadline, he sent out an illustrated mimeographed letter to wheat growers of the county.

Pictured on the letter were three ghosts labeled drought, hail, and dust storms, respectively, over which was the phrase: "These ghosts don't haunt farmers who have insured wheat."

The text of the letter, in addition to pointing out the all-risk features of the insurance program, gave the yield-per-acre figures for the farmer to whom the letter was sent and also his insurable yield.

Then, between August 20 and August 30, eight differently illustrated post cards went out over the signature of Mr. Harper, each card giving a different but meritorious reason why all-risk wheat crop insurance is a good investment. The theme of every card, however, was "INSURE BEFORE AUGUST 31, 1940."

OKLAHOMA

amount of damage. If your crop is totally destroyed or substantially totally destroyed, the land may be put to other use. It is necessary, however, that the destroyed acreage be inspected by a representative of the county committee before other use is made of the land, as the Regulations of the Federal Crop Insurance Corporation provide that if any wheat acreage covered by the insurance contract is put to other use without the consent of the Corporation the acreage so used must be appraised at the adjusted average yield.

"We wish you a bountiful harvest for 1941 and future years. However, experience has taught us that crop losses do occur and only in recent years has it been made possible for wheat producers to prepare for such losses by paying a premium each year into a reserve which will be used to soften the shock in those years when losses occur.

"These are some of the main points of your crop insurance contract. We are glad you have assured yourself of an income from your 1941 wheat crop. Our aim is to serve you in all possible ways."

DID YOU KNOW THAT 1/4 of American Business' potential customers live on farms and that during the depression the farmers' share of the National income fell as low as 1/16 of the total.

2,382 Acres Insured On One Kansas Farm

R. H. Trostle of Stanton County, Kans., has the largest 1941 crop insurance contract in his State. Mr. Trostle, who operates a 5,000-acre farm, has 2,382 acres of wheat covered by a crop insurance contract which assures him of income from 13,163 bushels of wheat in 1941. The premium amounted to 4,676 bushels.

Trostle has insured his crop every year since all-risk insurance was made available in 1939. He collected an indemnity in 1939 but his 1940 crop came through all right. "Crop insurance," says Trostle "plus wind erosion control and moisture conservation makes farming safe in western Kansas."

BUSINESS-LIKE FARMING!

An excellent businessman is Jacob Fisher, a farmer of Stutsman County, North Dakota. Although he has carried all-risk insurance on his 1939 and 1940 crops without any cause for making a claim for loss, he says he is going to insure every year because he knows that if the law of averages continues to work he will have protection when he most needs it. Fisher says, however, he would "much prefer a crop to an indemnity payment."